

85-3719

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Meeting with Pat Lynch, NBC News

DDA Subject

FROM:

George V. Lauder
Director, Public Affairs

EXTENSION

NO.

DATE

30 Oct 85

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for Administration

10/30/85

Per our telephone conversation I want to set the record straight on what occurred between my office and Pat Lynch of NBC News. If you have any questions, please give me a call.

2.

3. Director of Security

4.

5.

OS/SAG

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

George V. Lauder

1-3
George and I discussed the Lynch case and he agreed to prepare this memo.

Harry

30 October 1985

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Pat Lynch, NBC News

1. Ms. Lynch called on 18 October and said she would be in Washington and would like to get together.

2. On 21 October she called again and it was arranged that she would come to my office on 22 October at 3:00 p.m. for an off-the-record tour d'horizon on the functions and modus operandi of the Agency's Public Affairs Office. We do this for most major media representatives. She said she had no stories she was pursuing related to the Agency and just wanted to get acquainted.

3. I did my usual dog and pony show, emphasizing the need to work with the network on protecting sources and methods and affirming that we do not deal in classified information. I asked that she call whenever there are any sources or methods questions and we will attempt to sort any problems which appear to be arising.

4. The conversation then turned to other things. Lynch said that while doing the NBC story on Shadrin, she had grown to admire him. She asked if we had any information re Shadrin's death, noting that Mrs. Shadrin had remarried. I said it seemed to me that Mrs. Shadrin must think he is dead if she remarried and that the signs would seem to point that way. She said that she would like to give Shadrin a fitting sendoff on the tube. I said I couldn't help her in any way on that. I noted that the case was an FBI case and not an Agency one and that she would have to go to them or possibly to the Department of State for any information on Shadrin.

5. Somewhere in the conversation she mentioned the press and TV reports stating that there were USG officials other than Howard named by Yurchenko as being Soviet agents, one being an Agency officer and the other an NSA representative. She asked if there was anything I could say about these stories. I replied that I had seen the stories too, but that we hadn't and wouldn't comment; these are matters under investigation by the Justice Department. There had been recent media stories that some announcements might be made by Justice within the near future but only Justice knew what it was going to do. If there is to be comment, it must come from Justice. She asked if the second CIA officer was still an Agency employee. I replied that I was not aware of any investigation in the Agency of active officers for complicity

with Howard. However, the FBI is handling the Howard investigation and she would have to ask it. She commented that that must mean this unidentified officer is an ex-employee and simply helped Howard after he left the Agency. She asked if the CIA officer had dealt directly with the Soviets. I replied that I was unaware of any Soviet espionage cases connected with the Howard case other than the Howard case itself. This again is an FBI problem. I emphasized the "mole in CIA" stories are garbage to the best of our knowledge and that she would be incorrect if she pursued this angle. I asked Lynch to let me know if anyone confirmed to her the existence of a second CIA employee in the Howard case.

STAT

6. Lynch talked to [] of my office the next day, 23 October, and said that she wanted me to know that she "has confirmed to her satisfaction the existence of the second employee, that he was a CIA employee and that he is no longer with the Agency. She has not been able to ascertain his name or what ties he had with Howard. Does the Agency have any guidance on or off the record?" "No," [] responded. Lynch subsequently called me on 24 October to tell me that Bernie McMahon, Staff Director of the SSCI, was the source of the information that she had provided []. In addition to what she told [] she said she had confirmed that the second CIA officer was low level, worked with Howard and was out of the Agency. Lynch also said that a former FBI officer with whom she had worked on the original Shadrin story had told her that KGB defector Yurchenko has said that Shadrin was chloroformed and killed accidentally after he was kidnapped by the KGB in Vienna. She wants to run with that story on Monday Night News. Is it true?" The answer was, "Cannot help." We referred her to Justice.

STAT

STAT
SIAI

7. Yesterday, 28 October, David Holliday, SSCI Staff and Press Officer, called to exchange information on what journalists were up to. He asked how the Agency was reacting to Durenberger's statements over the weekend. I replied they had created a stir. We discussed Pat Lynch's efforts with respect to Shadrin. I said that I understood she was going to run the Shadrin story last night (Monday) on the NBC Evening News. (She did.) That brought us to the ex-CIA employee problem. Holliday said that Lynch had told him that she had talked to me and that I had told her about the second CIA man. He said he had thought that that was the story which the NBC Evening News was going to run last night. I gave Holliday the essence of my dealings with Lynch per the above. I advised him that I had not given her the identity of the second officer and apparently neither had Bernie McMahon. I added that it was my impression that Lynch had not acquired the identity of the second CIA officer from anyone else either since she would instantly break the story on the NBC Evening News the moment she acquired such data and nothing has appeared on the program to date. Holliday agreed she would run with the story if she had it. I suggested that Lynch was working us against each other, which is journalistic standard practice. He concurred that this seemed to be what happened

STAT

[]

George V. Lauder
Director, Public Affairs

ARTICLE APPEARED
ON PAGE **A-1**

WASHINGTON POST
3 October 1985

2 Ex-CIA Agents Sought by FBI As Possible Spies

By Patrick E. Tyler
Washington Post Staff Writer

The FBI said last night it has issued an arrest warrant for a former CIA officer, apparently identified as a Soviet spy by Vitaly Yurchenko, a high-ranking Soviet intelligence officer who defected two months ago. Informed sources said the FBI has identified a second CIA officer, apparently named by Yurchenko, but has not yet taken action against him.

Yurchenko is being debriefed under tight security near Washington, a congressional source said yesterday.

The suspect being actively sought by the FBI is Edward Lee Howard, 33, who fled his home outside Santa Fe, N.M., two weeks ago after FBI agents questioned his employer.

Agents quickly searched his home and car under a warrant saying the government sought coding equipment and espionage paraphernalia. The Federal Bureau of Investigation said Howard is charged with conspiracy to deliver national defense information to a foreign government.

A federal official said yesterday that the second former Central Intelligence Agency officer has not fled the United States, but he would not comment on whether efforts are being made to place the man under surveillance or arrest.

A congressional source also suggested that a separate international search may be under way for several other former CIA operatives possibly identified as Soviet agents by Yurchenko, a former Soviet KGB officer.

The FBI was closely guarding information about the investigation yesterday. The agency even asked the Senate Select Committee on Intelligence not to issue a statement about the investigation after intelligence officials briefed senators, another official said.

Committee Vice Chairman Patrick J. Leahy (D-Vt.) was described by one source as very disturbed that information had leaked about the CIA debriefing of Yurchenko before law enforcement officials had time to investigate Yurchenko's dis-

closures. After the intelligence committee briefing yesterday, a panel spokesman declined to say whether the search for Howard results directly from information given by Yurchenko. He would say only, "We were contacted last week by the FBI that they were conducting an active investigation of [Howard]."

The profile emerging of Howard yesterday was that of an Air Force officer's son, a private economic analyst working for New Mexico's state Legislature and a former Peace Corps volunteer.

Howard, who had worked for the Agency for International Development in Lima, Peru, from 1976 to 1979, turned down a posting to Moscow and returned to his native New Mexico in 1983.

The FBI said Howard worked for the CIA from January 1981 to June 1983 under diplomatic cover in the State Department.

According to Santa Fe court records, he pleaded guilty last year to assault with a deadly weapon and was sentenced to five years' probation after being arrested for scuffling with three men in February.

Police reports said Howard fired a .44 Magnum pistol through the roof of a car during the altercation. The FBI said he is also wanted for unlawful flight while on probation.

Phil Baca, Howard's superior on the New Mexico Legislature's Fi-



EDWARD LEE HOWARD
... subject of FBI investigation

nance Committee, described him as "a hard worker [who] did a good job for us."

Baca said he was interviewed by FBI agents Sept. 19 and, although he declined to disclose the nature of the questions, said he was not surprised when, on Sept. 23, he found Howard's resignation letter on his desk. The federal warrant was issued that day.

The Associated Press reported that reporters at Howard's home in a Santa Fe suburb late Tuesday found a search warrant on the driver's seat of his car. According to the warrant, the AP said, federal officials were seeking coded pads, microdots attached to business cards, recording and transmitting equipment, and telephone and travel records.

While disclosures that CIA employees may have been feeding information to the Soviets have alarmed U.S. intelligence officials, several of the officials said Yurchenko's defection and those of other Soviet intelligence officials in London and Athens represent a major disaster for Soviet intelligence.

"[The KGB] has been hit with an earthquake that's above 8.0 on the Richter scale, and we've been hit with a few hail stones," said George A. Carver, a 26-year CIA veteran who left the agency during the Carter administration.

2.

Other officials said it is far from clear which superpower has suffered the greatest hemorrhaging of sensitive information.

Some intelligence experts suggested that, while Yurchenko's defection may be a short-term CIA bonanza, the loss of Yurchenko and other recent Soviet defectors to the West actually represents setbacks for the West, since they can no longer be used as "moles" inside the Soviet intelligence establishment.

Counterintelligence experts also cautioned that it will take time to check and cross-check information provided by the defectors before it is deemed reliable.

Staff writers T.R. Reid, Mary Thornton and Loretta Tofani contributed to this report.

ARTICLE APPEARED
ON PAGE 13-2BALTIMORE SUN
3 October 1985NATION

Former officer of CIA is charged with plotting to spy

WASHINGTON (AP) — The FBI said yesterday that it had charged a former CIA officer with plotting to spy for a foreign government and had been seeking his arrest since he fled from his New Mexico home more than a week ago.

The bureau said Edward Lee Howard, 33, of Santa Fe, was charged Sept. 23 with conspiracy to deliver national defense information to aid a foreign government. Sources have said the foreign government was the Soviet Union.

The FBI said Mr. Howard worked for the Central Intelligence Agency from January 1981 until June 1983. According to State Department records, his last post was the U.S. Embassy in Moscow, where he operated under the cover of being a budget analyst for the State Department.

He was also named Friday in a federal warrant for unlawful flight to avoid prosecution for probation violation in New Mexico, the FBI said.

It was learned yesterday that FBI agents had searched his home and car in New Mexico for code pads, microdots and other spy paraphernalia under a warrant seeking evidence of a plot to deliver national defense information to a foreign government.

The search, which occurred between Friday and Tuesday, became known as evidence emerged yesterday that Mr. Howard fled to Texas more than a week ago, leaving even his wife in the dark about his whereabouts.

There were these other developments in the case of the missing official suspected of being a spy for the Soviet Union:

□ The Santa Fe, N.M., district attorney has obtained an arrest warrant for him, saying his flight violated his five-year probation on a 1984 gun-brandishing incident.

□ Colleagues who worked with him in the New Mexico state government said he traveled widely on state business to economic conferences in San Francisco, Boston, New Orleans, El Paso, Texas, and elsewhere. They said his work led him into close dealings with some workers at the Los Alamos National Laboratory, where top-secret weapons research is done.

□ In a Minneapolis suburb, Evar Cedarleaf, the father of Mr. Howard's wife, Mary, said Mr. Howard had not been heard from. "She hasn't heard from him. She has no idea where he is," Mr. Cedarleaf said his daughter, who returned Tuesday to their Santa Fe home after a visit to Minnesota, was dismayed by her husband's disappearance.

□ The CIA, the Justice Department, the State Department and the Senate Intelligence Committee all declined to discuss the case.

Mr. Howard quit his most recent job, with the New Mexico Legislative Finance Committee in Santa Fe, Sept. 20 and fled just before FBI agents came to question him about

whether he had been a spy for the Soviets, a U.S. official has said.

This official, who declined to be identified, said Mr. Howard was probably one of two ex-CIA men implicated as Soviet agents by Vitaly Yurchenko, a recent, top-level defector from the KGB, the Soviet secret police and intelligence agency.

ARTICLE APPEARED
ON PAGE 19BOSTON GLOBE
3 October 1985

FBI says ex-CIA man is sought as spy

Associated Press

WASHINGTON - The Federal Bureau of Investigation has charged a former Central Intelligence Agency officer who worked in Moscow with plotting to spy for a foreign government and has been seeking his arrest since he fled from his New Mexico home more than a week ago, a spokesman said yesterday.

Ed Gooderham, an FBI spokesman, said Edward Lee Howard, 33, of Santa Fe, was charged in an arrest warrant issued Sept. 23 in Albuquerque with conspiracy to deliver national defense information to aid a foreign government.

Although the FBI and the warrant did not say which foreign government Howard allegedly spied for, US sources, who would not be named, have said it was the Soviet Union.

One US official has said Howard was probably one of two ex-CIA officials implicated as Soviet agents by a recent top-level defector from the Soviet KGB, Vitaly Yurchenko.

The CIA is believed to have very few US agents in the Soviet Union, and former CIA directors have said that the agency has difficulty recruiting Soviet citizens as agents. Thus, anyone involved in American spy operations in the Soviet Union would be in a position to pass potentially damaging information to the KGB.

The FBI said Howard worked for the CIA from January 1981 until June 1983. According to State Department records, his last post was the US Embassy in Moscow, where he operated under the cover of being a budget analyst for the State Department.

He was also named last Friday in a federal warrant for unlawful flight to avoid prosecution for probation violation in New Mexico, the FBI said.

Meanwhile, it was learned yesterday that FBI agents searched his home and car in New Mexico for code pads, microdots and other spy paraphernalia under a warrant seeking evidence of a plot to deliver national defense information to a foreign government.

The search, which occurred between last Friday and Tuesday, became known as evidence emerged yesterday that Howard flew to Texas more than a week ago leaving even his wife in the dark about his whereabouts.

There were these other developments in the Howard case:

- The Santa Fe district attorney has obtained an arrest warrant for him because his flight violated his five-year probation on a 1984 gun-brandishing incident.

- Colleagues who worked with him in the New Mexico state government said he traveled widely on state business to economic conferences in San Francisco; Boston; New Orleans; El Paso, Texas; and elsewhere. They also said his work led him into close dealings with some workers at the Los Alamos

National Laboratory, where top-secret weapons research is done.

Howard quit his most recent job, with the New Mexico Legislative Finance Committee in Santa Fe, on Sept. 20 and fled just before FBI agents came to question him about whether he had been a Soviet spy, a US official has said.

Late Tuesday, reporters found a copy of a federal search warrant on the driver's seat of the Howards' red jeep, which was parked in front of their home in a Santa Fe suburb.

The warrant said federal authorities were searching for coded pads, greeting cards with microdots, microfiche, recording and transmittal equipment, docu-

ments that identify foreign espionage agents, payments made to agents, telephone contacts with agents and travel records.

Upon leaving the federal government, Howard became an economic analyst in July 1983 for the Legislative Finance Committee of the New Mexico legislature. He was engaged in revenue projections and in analysis of the oil industry.

He left work suddenly on Sept. 20, leaving behind a resignation note effective two days later. By Sept. 23, FBI agents were interviewing colleagues and neighbors

about Howard and said he was "accused of espionage."

A native of New Mexico, Howard was a Peace Corps volunteer from August 1972 to August 1974 in The Dominican Republic and Colombia, according to Peace Corps spokesman Hugh O'Neill. Government records show he worked the Agency for International Development from 1976-1979.

ARTICLE APPEARED
ON PAGE A-8

WASHINGTON POST

4 October 1985

Ex-CIA Agent Suspected of Spying Seemed Unexceptional to Associates

Young New Mexico Economist Lived Quietly, Conventionally

By T.R. Reid

Washington Post Staff Writer

SANTE FE, N.M., Oct. 3—To friends and colleagues here, Edward Lee Howard seemed a standard Santa Fe-style yuppie: a respected \$32,000-a-year economic analyst with the state government who commuted in a bright red Jeep to his brown adobe house in a middle-income development south of town.

Neighbors said he was a dutiful husband to his wife, Mary, a dental assistant in Santa Fe, and a devoted father to his 2-year-old son.

He enjoyed flying radio-controlled model aircraft and target-shooting at a local gun club—hardly remarkable pastimes for a young professional in the Southwest.

"He did good work," said Steven Arias, clerk of the New Mexico Legislature, where Howard was employed as a natural-resources economist with the Legislative Finance Committee.

He did good work through the afternoon of Sept. 20, when he briefed legislators at a budget-analysis meeting in the state capitol, then slipped quietly away and vanished.

In Washington today, a Senate staff official described Howard as a low-level officer in the CIA's clandestine service who was fired by the agency in 1983 for undisclosed reasons and apparently took sensitive material with him, perhaps to sell it to Soviet intelligence agents.

David Holliday of the Senate Select Committee on Intelligence also said that, based on briefings received by the panel, he "would not discourage" speculation that high-level Soviet intelligence defector Vitaly Yurchenko had identified Howard as a spy.

Yurchenko, a former ranking member of the KGB who defected two months ago, is being debriefed by the Central Intelligence Agency at an undisclosed location near Washington.

Holliday said he could not identify what Howard may have taken when he left the agency. But a warrant used here to search Howard's home and car indicated that federal officials were seeking coding materials,

transmitting and recording equipment, and business cards carrying microdots.

A second former CIA employee is reportedly under surveillance as a possible Soviet agent, apparently also based on information from Yurchenko, a federal official said today in Washington.

Two days after Howard slipped away, a passenger listed as "Edward Howard" took an American Airlines flight from Albuquerque to Dallas. The next morning, Sept. 23, the Federal Bureau of Investigation issued an arrest warrant for the fugitive analyst but, by then, he was gone.

News that this quiet, generally mild-mannered young economist might have been a U.S. agent working for the KGB stunned and electrified his coworkers here. Equally surprised, evidently, was Howard's wife.

Philip Baca, Howard's boss in the state government, said he came into his office on the night of Sept. 22 and found a letter of resignation from Howard. In it, Howard asked coworkers to clean out his desk and said he hoped "some day to be able to explain this to you and the rest of the staff."

Baca said he immediately called Howard's home and reached Mary Howard. He said she expressed astonishment that her husband had quit his job and seemed to have no idea of his whereabouts.

Federal officials here declined to discuss how long they had been watching Howard and why he was able to leave Santa Fe before an arrest warrant was issued.

Coworkers and neighbors said FBI agents were in Santa Fe asking questions about Howard in the days before he fled. They said he must have known this by the day he left work early and disappeared.

Federal law enforcement officials say Howard fled Sept. 21. He was able to escape, a federal official in Washington said, because the FBI maintained a limited surveillance until an arrest warrant was issued.

Federal agents have staked out Howard's home and begun trailing his wife on her daily commute from home to the orthodontist's office where she works.

Howard was born in Alamogordo, N.M., in 1951, son of a career Air Force sergeant. The family moved frequently during his boyhood, and he acquired a proficiency in Spanish and German.

After graduating from the University of Texas in 1972, he spent most of the next four years with the Peace Corps in South America and the United States. From 1976 to 1979, he worked in Peru for the Agency for International Development, according to the State Department.

After earning a master's degree in business administration from American University, he went to work for the CIA, where he was employed from 1981 until spring 1983.

2.

In June 1983, he moved to Santa Fe. His coworkers said they did not know what prompted the move.

He applied for a job as an analyst with the state Legislative Finance Committee, a joint budget-planning body serving both chambers of the legislature. He told his bosses that he had been employed by the State Department but left State because he and his wife did not want to accept an imminent posting to Moscow.

It is fairly common for CIA covert operatives to work under diplomatic cover for the State Department.

As an analyst in the Capitol building here, Howard seemed to coworkers to be a solid, serious young man.

The only stain on his record here came in February 1984 when he was arrested for brandishing a .44-cal. pistol at three men in downtown Santa Fe. He told police that he had been distraught after a family argument and had too many drinks at a bar. In a plea bargain, he pleaded guilty to an assault charge and was sentenced to probation.

As part of the bargain, Howard obtained letters of support from several government officials here and in Washington. All described him as a reliable, serious individual.

"He is a dedicated, honest and truthful individual," wrote then-state Sen. Frank Papen, chairman of the committee for which Howard worked.

ARTICLE APPEARED
ON PAGE ~~4A~~WASHINGTON TIMES
4 October 1985

Fired CIA pair took revenge by spying for KGB, FBI told

By Bill Gertz
THE WASHINGTON TIMES

Two former CIA operatives suspected of spying for the Soviet Union were dismissed from the agency as the result of improper conduct and then took revenge by spying for the KGB, according to administration and congressional sources.

The FBI is continuing to search for Edward L. Howard, a former economic analyst with the finance committee of the New Mexico legislature, who resigned two weeks ago and eluded federal agents who had placed him under surveillance.

Howard, a former CIA operations officer hired in January 1981, was fired by the agency in June 1983 after he was discovered stealing money from the CIA and for using illegal drugs, sources said.

He also failed to pass the CIA's probationary period for new employees, the sources said.

"He was a rotten apple we got rid of in 1983," said a senior CIA official.

A second ex-CIA operative also is under investigation on suspicion he supplied CIA secrets to the KGB, the Soviet intelligence service, in connection with Howard. But sources said his crimes appeared to be less serious than the FBI's case against Howard.

The unidentified former operative also was dismissed from the agency for disciplinary reasons and

not for suspected espionage activities, sources said.

To date, the two former CIA employees being sought by the FBI are the only two Soviet agents implicated by Vitaly Yurchenko, a senior KGB defector. The CIA does not suspect that a Soviet agent — or "mole" — has burrowed into the intelligence service, the sources said.

Howard has been charged with conspiracy to deliver national defense information to an unspecified foreign government believed to be the Soviet Union.

The espionage charges were filed in a federal arrest warrant issued Sept. 23 in Albuquerque, N.M. Four days later, Howard was charged with unlawful flight to avoid prosecution for violating probation on his 1984 conviction in a Santa Fe, N.M., gun-brandishing incident.

Rep. Bill Richardson, D-N.M., said yesterday that at his request Rep. Lee Hamilton, chairman of the House Select Committee on Intelligence, has agreed to hold a hearing next week on Mr. Yurchenko's reported disclosures concerning Americans.

"I'm extremely concerned about the potential damage to national security," Mr. Richardson said, alluding to Howard's reported access to the Los Alamos laboratory.

In Los Alamos, a businessman told reporters he and a lab official met with Howard and that Howard had asked questions about technol-

ogy transfers. The lab conducts top secret research on nuclear weapons for the U.S. Department of Energy.

Contrary to news reports, Howard never served in Moscow nor was he offered the post while working for the CIA, these sources said.

Howard served in the Peace Corps, its ACTION division and the Agency for International Development before his employment with the CIA, the sources said.

Howard was described by these sources as a "revenge case" similar to that of former CIA cable clerk William Kampiles.

Kampiles was convicted in 1978 of passing the Soviets a top secret manual for the KH-11 spy satellite after failing to be admitted to the CIA's clandestine services division.

Federal authorities were led to the two Soviet agents by information provided by Mr. Yurchenko, the Soviets No. 5 man in the KGB. Mr. Yurchenko defected to the West in Rome Aug. 1 and is being debriefed by the FBI and CIA.

FBI officials defended their surveillance of Howard, saying he was only a suspect and had not yet been charged in any legal proceedings when he disappeared.

Federal authorities in New Mexico last month found two airline tickets from Santa Fe to Austin, Texas, after searching Howard's house. Howard, 33, graduated from the University of Texas in Austin.

ARTICLE APPEARED
ON PAGE 14A

BALTIMORE SUN
4 October 1985

Missing spy suspect fled while under FBI's watch

WASHINGTON (Reuters) — A former CIA employee accused of spying for the Soviet Union was under surveillance by the FBI when he disappeared, Reagan administration officials said yesterday.

"The FBI screwed up by letting this guy slip," one administration official said.

The FBI refused to comment on whether another ex-CIA officer had been identified by its counterintelligence agents after being named as a spy by Vitaly Yurchenko, a high-ranking Soviet official who defected to the West.

But government and congressional sources have said they expect other

alleged double agents to be revealed soon in what could produce a major shake-up in the U.S. intelligence community.

The former CIA employee who fled was Edward Lee Howard, 33, who worked for the agency from

1981 to 1983 and has been charged with conspiring to deliver national defense secrets to a foreign government.

FBI officials defended the way they conducted their surveillance of Mr. Howard, saying he was only a suspect and had not yet been charged when he disappeared.

On Sept. 20, Mr. Howard unexpectedly quit his job and fled just before FBI agents were about to question him concerning his alleged espionage activities, officials said.

The FBI had interviewed his neighbors and associates in Santa Fe, N.M., where he worked as an economic analyst for the state legislature, in an attempt to build a strong enough case, they said.

Although they said Mr. Howard may have been alerted by news reports, his arrest warrant was issued Sept. 23, two days before the first disclosure that Mr. Yurchenko was naming double agents believed to have penetrated the U.S. intelligence community.

ARTICLE APPEARED
ON PAGE 19BBALTIMORE SUN
4 October 1985

Defector revives fear of high 'mole' at CIA

WASHINGTON (Reuter) — Disclosures by a key Soviet defector have reopened a question that has periodically tied U.S. intelligence in knots: Is there a high-level Soviet "mole" in the Central Intelligence Agency?

U.S. intelligence sources say that the defector, Vitaly Yurchenko, a high official in the KGB, came over to the West in Rome last summer, bringing highly sensitive information that included names of U.S. double agents.

The disclosure of those names is likely to produce a shake-up in the American intelligence community, the sources said, but declined to give details.

The Justice Department has said that Mr. Yurchenko, who is now being "debriefed" by the CIA at an undisclosed location in the United States, has implicated former CIA employees — including former agent Edward Howard, who left the agency 18 months ago and is now the subject of a police manhunt.

Some congressional sources who have been involved in overseeing U.S. intelligence, including Sen. Malcolm Wallop, R-Wyo., believe that KGB moles are active in the CIA today.

Mr. Wallop said he hoped that the new revelations would fuel efforts to uncover such moles.

"We have managed to penetrate the KGB, and it's inconceivable that

we have such a corner on the world's morality that they haven't been able to do the same thing with us," Mr. Wallop, who left the Senate Intelligence Committee earlier this year after an eight-year tenure, told Reuters.

This is not the first time that U.S. intelligence has been shaken by a mole mystery.

In 1961, Soviet defector Anatoly Golitsyn told U.S. officials that there was at least one high-level mole in the CIA.

CIA counterintelligence chief James Angleton searched for the traitor or traitors for more than 12 years until he was fired in 1974 for excessive zeal, former intelligence officials say.

They say that Mr. Angleton's mole hunt periodically caused parts of the CIA virtually to grind to a halt, prompting criticism among some CIA veterans of what they regarded as an overly zealous campaign.

Former CIA official George Carver said: "The Soviets have been trying to penetrate us for 40 years, and of

course we need to be careful, but if you went on a great mole hunt the whole organization would seize up."

Mr. Wallop said that the fear of resurrecting the Angleton era has so eroded U.S. spy-catching abilities that "the United States has virtually zero counterintelligence capability" and is thus highly vulnerable to KGB penetration.

Legislation passed in 1985 called for the enlargement of CIA mole-hunting operations and for more analysis aimed at detecting false information planted by the KGB.

Neither program has been implemented vigorously because intelligence officers are not committed to it and do not like investigators constantly questioning their loyalty, as Mr. Angleton had done, Mr. Wallop said.

Ex-CIA Director Stansfield Turner said in a book released this year that Mr. Angleton's approach bordered on paranoia.

When a second Soviet defector, Yuri Nosenko, cast doubt on Mr. Golitsyn's story, Mr. Angleton ordered Mr. Nosenko to be locked in a small cell, without a toothbrush or sufficient food, for 3½ years, Mr. Turner wrote. Mr. Nosenko was at times interrogated for 24 hours without a break.

Doubts about Mr. Angleton's methods have not erased concerns that the agency may have been infiltrated at high levels.

Former CIA Director William Colby conceded that such infiltration was a possibility, as did Mr. Carver, although both were skeptical.

A former director of the Defence Intelligence Agency, who spoke on condition that he not be named, said that in recent years Communist agents had learned psychological techniques to avoid being uncovered by lie-detector tests that are given to CIA job applicants.

If such agents posing as loyal Americans had managed to penetrate the lie-detector screen, they would today be at relatively low CIA levels, but could go higher, he said.

David Phillips, a former high CIA official, said he doubted that the agency had been penetrated at top levels, but added: "You can't be absolutely sure, of course. . . . If they had a real mole, he would stay for his whole career then retire and grow grapes in California."



ASSOCIATED PRESS/1975

JAMES ANGLETON
Ex-CIA counterintelligence chief

ARTICLE APPEARED
ON PAGENEW YORK TIMES
4 October 1985

Suspect Is Believed to Have Told Soviet of U.S. Spying in Moscow

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Oct. 3 — Edward L. Howard, a former Central Intelligence Agency officer, is believed to have given the Soviet Union significant secret information about the methods the United States uses to gather intelligence in Moscow, Congressional sources said tonight.

The sources said Mr. Howard, who is being sought, had been trained in the secret techniques as he was prepared to be sent to Moscow as an operational officer for the C.I.A.

The Federal Bureau of Investigation has said Mr. Howard, who is 33 years old, served in the C.I.A. from January 1961 to June 1963. One official said today that he left the agency after failing to pass a routine polygraph, or lie-detector, test and had not served in Moscow.

The official would not characterize the type of problem found by the polygraph but indicated that it apparently was not related to espionage. Another official said a test result suggesting espionage by an employee would have started a wide-ranging criminal investigation.

Senator Expresses Concern

CBS News tonight quoted Senator Dave Durenberger, chairman of the Select Committee on Intelligence, as saying that the security breach caused by Mr. Howard could be as "serious as anything this country has seen in the past." Mr. Durenberger said that the suspect might have provided details of how the United States got sensitive information from the Soviet Union.

The intelligence committee has been briefed on the potential damage said to have been caused by Mr. Howard. Officials say he is one of two American intelligence officers identified as Soviet recruits by a Soviet defector, Vitaly Yurchenko, a senior member of the K.G.B., the Soviet intelligence agency.

Government officials said today that the second suspect had been identified in the course of investigating the defector's statements.

National Security Role Hinted

The officials would not say what agency of the Government had employed the second suspect, although one intelligence source indicated it was the National Security Agency, which deals with this nation's most secret codes and communications.

One intelligence source said the second suspect had access to details about secret United States electronic and satellite surveillance of communications. "Let's just say he was part of the intelligence community," that source said.

The C.I.A. refused to say whether it had ever employed the individual in question.

Officials have said Mr. Howard fled the country sometime on the weekend of Sept. 21, shortly after his friends and co-workers had been questioned by the Federal Bureau of Investigation.

Mr. Yurchenko is being questioned at an undisclosed location in the United States.

Only Americans Under Scrutiny

One official said Mr. Howard and the second former intelligence employee were the only Americans under investigation as a result of information provided by Mr. Yurchenko, who defected to the West in July while he was in Italy.

Officials said Mr. Howard worked in the clandestine service of the C.I.A. He was charged on Sept. 23 with conspiring to provide national defense information to a foreign power.

Officials have said Mr. Howard eluded the Federal authorities and fled his home in Santa Fe, N.M. He had been employed by the New Mexico Legislature since 1963 as an economic analyst.

An intelligence source said Mr. Howard, "a disgruntled employee," approached the Russians with an offer to provide secret information. Various officials offered conflicting accounts on whether Mr. Howard began working with Soviet intelligence agents before or after he left the C.I.A.

Denial by State Department

A Reagan Administration official said Mr. Howard left the agency after he was assigned to a post in Moscow. The State Department, denying published reports, said today that Mr. Howard had never served in the American Embassy in Moscow. The Agency

for International Development, which administers foreign aid abroad, hired him as an intern in Washington in September 1976. He was later assigned to Peru as an assistant project development officer and resigned from the agency in March 1979.

In mid-August, the Italian press published brief articles reporting that Mr. Yurchenko had disappeared and that inquiries were being made by the Soviet Embassy. But it was not until Aug. 30 that the Milan newspaper Corriere Della Sera reported that he was a defector.

One former C.I.A. officer said it would be unusual to assign an inexperienced officer like Mr. Howard to Moscow, one of the agency's most demanding posts. But he added that Mr. Howard's supposed role as a member of the State Department might have been more convincing to the Russians because he had not served in jobs usually associated with the Central Intelligence Agency. A Congressional source said Mr. Howard held an "operational" job in the intelligence agency.

The former C.I.A. officer said this would mean that Mr. Howard had been responsible for coordinating information-gathering clandestinely. He would thus have access, the former officer went on, to a limited number of names of agents as well as the location of other sources of information such as electronic listening posts — but an agent in an operational job would not know about the networks of agents run by others in similar posts.

ARTICLE APPEARED
ON PAGE **3-A**WASHINGTON TIMES
7 October 1985

KGB paid former CIA agent, FBI says

THE ASSOCIATED PRESS

Fugitive ex-CIA agent Edward L. Howard met in Austria a year ago with Soviet KGB officials who paid him money for U.S. intelligence secrets, the FBI says.

Meanwhile, sources in Washington said FBI agents are also watching and investigating a second former U.S. intelligence officer suspected of spying for the Soviets.

In Albuquerque, N.M., the FBI charged Howard, 33, an economic analyst, with selling U.S. intelligence secrets to the Soviet Union.

The sources — federal officials who spoke on condition they not be identified — said that the second suspect, like Howard, was fired from a U.S. intelligence job.

It also was disclosed on Friday that FBI agents confronted Howard in New Mexico with espionage allegations against him less than two days before he eluded the FBI and fled. Howard is wanted on charges of supplying national defense information to a foreign power.

In filing a revised criminal complaint alleging that Howard had sold

secrets, the FBI did not say how much money changed hands.

Howard was fired by the CIA in 1983 after, a source said, he refused assignment to Moscow and was implicated by a polygraph test in petty theft of money and illegal drug use. He disappeared from his home in Santa Fe, N.M., less than two days after being confronted by FBI agents with the espionage allegations on Sept. 20.

The FBI agent said the bureau was told recently about a former CIA agent who was working for the KGB by "a confidential source with intimate knowledge of Soviet intelligence matters." A source said this was Vitaly Yurchenko, the No. 5 man in the KGB who defected to the West in Rome two months ago.

According to an accompanying affidavit filed by the FBI's Martin R. Schwarz, the Soviet intelligence source told the FBI that "senior officials of the Soviet Committee for State Security, KGB, met in Austria in the fall of 1984 with a former CIA employee. The former CIA employee was paid money in exchange for

classified information relating to U.S. intelligence sources and methods."

The FBI investigation turned up evidence that Howard was in St. Anton, Austria on Sept. 20, 1984, Mr. Schwarz said.

The FBI also charged that Howard traveled to South Padre Island, Texas, in July as part of his violation of espionage statutes. Mr. Schwarz said in that month Howard told another confidential FBI source of his meeting in Europe with the Soviets. Howard told this source that the Soviets had paid for the trip and that he had received cash for information. The source relayed this information to the FBI last month, Mr. Schwarz said.

Mr. Schwarz also quoted from a note Howard left his employer to give to his wife.

"Well, I'm going and maybe I'll give them what they think I already gave them," the note said in part.

Mr. Schwarz also said Howard met with two current CIA employees on Sept. 24, 1984, and told them that in October 1983 he had traveled to

Washington and spent several hours near the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information.

One federal source said the two current CIA employees were friends of Howard's from his CIA days. CIA spokeswoman Kathy Pherson had no comment on the incident, or on why it appeared to have taken a year for the two CIA employees to report this contact.

The FBI's revised complaint against Howard and the affidavit were filed Wednesday but were only released in the federal court on Friday.

In Washington, a source said continued surveillance and checking into the second suspect, who is still in this country, were required to develop enough evidence to obtain an arrest warrant.

Two other U.S. officials said the second suspect had been fired from a U.S. intelligence job, just as Howard was by the CIA in June 1983. In both cases, the firings may have contributed to a decision to offer information to the Soviets.

LOS ANGELES TIMES
8 October 1985

Firing by CIA Possible Motive in Spy Case

By RONALD J. OSTROW and DOYLE McMANUS, *Times Staff Writers*

WASHINGTON—Spy suspect Edward L. Howard was fired in 1983 by the CIA, and anger over his discharge may have prompted him to provide information to the Soviets, U.S. officials said Thursday.

Those officials refused to give any reasons for the firing of Howard, who is now the object of an intense FBI manhunt, and one source said the records indicated that he was "allowed to resign."

'Motive of Revenge'

But "a motive of revenge or disgruntlement has been known to be involved in other espionage cases," one official noted.

Another source said that it is "not entirely clear whether (Howard) had his final walking papers (from the CIA) when he was first in contact with the Soviets." However, he added that he understood Howard was not working for the Soviets when he was carrying out CIA assignments.

Intelligence sources have emphasized that Howard was not a classic "mole"—a spy who has infiltrated an intelligence agency to obtain information from it.

Those sources said that Howard was discussing a CIA assignment at the U.S. Embassy in Moscow under a State Department cover when he was fired.

Curtis Porter, Howard's former supervisor at the New Mexico Leg-

islative Finance Committee, where he went to work after leaving the CIA, said Howard had told him that he left the department after being assigned as a Foreign Service officer to the embassy in Moscow.

But department spokesman Charles E. Redman said that Howard had never worked for the department or in the U.S. Embassy in Moscow in any capacity. He said Howard had been employed by the Agency for International Development from September, 1976, until March, 1979, when he resigned.

Howard did not work for the CIA when he was with AID, one Administration source said. The FBI has said that Howard worked for the CIA from January, 1981, to June, 1983.

Meanwhile, an FBI source acknowledged that Howard dropped from sight on the night of Sept. 21 while FBI agents had him under surveillance at his home in a suburb of Santa Fe, N. M. But the source emphasized that the agents had no authority to arrest Howard until two days later, when they obtained an arrest warrant.

"It was a loose-perimeter surveillance, not meant to contain someone," the source said. He described Howard as "a trained agent" and said he eluded the FBI agents in the early morning hours of a "moonless night." There was a half moon over Santa Fe that night,

but weather records indicate that it was obscured by stormy weather.

An intelligence source said that the Soviet KGB defector who provided information that helped lead the FBI to Howard has also given information that may implicate a second former CIA operative as a Soviet spy. But the source stressed that the investigation involving the second individual is ongoing and had reached no conclusions yet.

House Hearing on Spies

The defector, Vitaly Yurchenko, left his temporary Soviet diplomatic assignment in Rome in August and now is in the United States. The information he gave was added to other data the FBI had that then led them to Howard, the intelligence source said.

The House Select Committee on Intelligence plans a hearing next week on Yurchenko's disclosures about American spies, Rep. Bill Richardson (D-N. M.) said. He said that Rep. Lee H. Hamilton (D-Ind.), the panel's chairman, had agreed to his request for the hearing.

However, a Senate Intelligence Committee source questioned whether public hearings on the Yurchenko information would produce anything worthwhile, noting that Yurchenko's leads are still being checked.

ASSOCIATED PRESS

4 October 1985

SPY SUSPECT

BY MICHAEL J. SNIFFEN

WASHINGTON

Edward L. Howard refused to transfer to Moscow for the CIA and was fired by the U.S. spy agency, all at about the same time he began working for the Soviet KGB, U.S. authorities say.

U.S. officials said Thursday they believe the fugitive former CIA clandestine agent started working for the Soviet spy agency because he was angry over being assigned to Moscow.

An FBI affidavit in federal court in New Mexico showed that Howard learned of the bureau's interest in him when agents interviewed him directly on Sept. 20, the day he abruptly quit his job before fleeing.

Government officials familiar with the case were willing to discuss it only on grounds that they not be identified.

Meanwhile, The New York Times, citing congressional sources it did not identify, said today that Howard is believed to have given the Soviet Union secret information about how the United States gathers intelligence information in Moscow.

And CBS News on Thursday quoted Sen. Dave Durenberger, chairman of the Senate Committee on Intelligence, as saying that Howard might have given the Soviets information on U.S. intelligence gathering. Durenberg, R-Minn., said the security breach caused by Howard could be "as serious as anything this country has seen in the past," according to CBS.

Howard, 33, went to work for the CIA's clandestine service in January 1981 and was fired by the agency in June 1983, according to U.S. officials who were uncertain as to the reason for his dismissal.

Howard told co-workers when he returned to his native New Mexico in July 1983 that he had just turned down a government assignment to Moscow. That refusal might have prompted a firing, but two sources indicated Howard had failed a CIA-administered polygraph.

The CIA tests prospective, current and departing employees on the polygraph for security breaches, and in some but not all circumstances, a failure can lead to an employee's firing. The test is intended to cover a wide range of subjects, from espionage to simple negligence with secret information.

One intelligence source has said there is no evidence Howard worked for the Soviets before he left the CIA, but other sources have suggested he hooked up with the Soviets very shortly before he left CIA.

Either case would be less damaging than if Howard had worked inside CIA for some time under the actual direction of the Soviets.

Asked what motivated Howard to work for the Soviets, one official said Thursday, "He was ticked off over his assignment to Moscow. That's why he went over to the other side."

Curtis Porter, who hired Howard in July 1983 as an economic analyst for the New Mexico legislature's finance committee, said, "He said he was going to be posted to Moscow and wouldn't want to raise his kid there. ... He never went." Howard's son, Lee, is now 2.

Continued

2

Porter said Howard claimed to have worked for the State Department in Washington. The State Department job was Howard's cover while at CIA.

One former top-level U.S. counterintelligence official said it was surprising that a young agent would refuse a Moscow assignment even with a small child.

"A young agent can't expect to get London or Paris. Besides, Moscow is sort of a plum in terms of one's career, and there are worse foreign outposts," the former counterspy said. "However, if the agent were already working for the Soviets, he might be worried that they would press him to do so many things in Moscow that he would get caught."

Howard was charged by the FBI on Sept. 23 with conspiring to transmit national defense information to a foreign power. FBI agents have been trying to arrest him since then but he has been missing from his home in Santa Fe, N.M. since Sept. 22.

Vitaly Yurchenko, a ranking KGB official who defected this summer in Rome, has told American authorities that two ex-CIA agents went to work for the Soviets, and one official says Howard probably is one of them.

At the State Department, spokesman Charles Redman said Howard never worked for the department or the U.S. Embassy in Moscow. A department official said Howard's planned transfer was entered into the records for his cover job at State and the records never were corrected because of an oversight.

Meanwhile, a minor flap developed inside the Justice Department over Howard's success in eluding FBI agents.

One department source said Justice officials felt the FBI agents had bungled the effort to keep track of Howard, but a federal law enforcement source said the agents did all they could before an arrest warrant was obtained.

The department source said agents went to his home while he was out before he fled, and his wife let them conduct an informal look around the house. An FBI affidavit filed in federal court in Albuquerque said FBI agents interviewed Howard himself on Sept. 20 and said the FBI "believes that after Howard's interview with the FBI and his speculation that he would be charged with a federal violation, he fled sometime during the evening of Sept. 21."

Howard abruptly left work on Sept. 20, leaving behind a typed resignation note.

This source said FBI agents were still watching the house when Howard slipped away, apparently overnight on Sept. 21. He is thought to have flown from Albuquerque, 60 miles away, to Dallas on the afternoon of Sept. 22.

But a federal law enforcement source said the agents were not there to keep constant watch on Howard. "Their purpose was to find out where he lived, how many members were in his family, when he normally left and came home, and any other habits that might assist them later if they came back for an arrest," this source said.

"It's often necessary to contact even the subject or their relatives directly to get probable cause for an arrest, and that was necessary in this case," the law enforcement source said.

"The agents had no arrest warrant, and he could have told them to get lost," he continued. "Sure, it would have been nicer if he didn't leave on a moonless night, but he is a trained agent."

On that Saturday night in Santa Fe, there was a half-moon, but there were clouds.

FORMER CIA CHIEF PREDICTS MORE SPIES TO BE FOUND
AUSTIN, TX

A former top U.S. spymaster says he was not surprised by charges that a fugitive former CIA agent sold secrets to the Soviet Union, and predicts more double agents will be uncovered.


"The odds are high there will be spies in other agencies as well," said Bob Inman, a former director of the National Security Agency and a former deputy director of the CIA.

Inman, in an interview published Saturday by the Austin American-Statesman, said internal changes in the CIA designed to identify double agents "may be the beginning to pay off some dividends."

Former agent Edward L. Howard has been charged with selling U.S. intelligence secrets to the Soviet Union. He has been sought since he disappeared from his home in Santa Fe, N.M., less than two days after FBI agents confronted him with espionage allegations on Sept. 20.

Howard, 33, met in Austria a year ago with Soviet KGB officials and received money for U.S. intelligence secrets, according to an affidavit filed in federal court in Albuquerque, N.M., and made public Friday.

According to government sources, Howard was fired by the CIA in 1983 after he refused assignment to Moscow and was implicated by a polygraph test in petty theft of money and in illegal drug use.

Sources in Washington said the FBI was investigating a second suspect who, like Howard, was fired from a U.S. intelligence job. 

Inman said it was not unusual to see a flurry of spy defections in a short period as has happened to both East and West in the past few months in Europe.

"You tend to get them in cycles," he said.

He said spies who defect often identify other spies and "moles," or double agents.

"Instantly there is a tendency for the handlers of those agents to send out an alarm that they may be exposed," Inman said. "In some cases they don't move and the leads come out and you begin to arrest people."

Inman, a retired admiral, is president of Microelectronics and Computer Technology Corp of Austin. He was director of the National Security Agency from 1977 to 1981 and deputy CIA director in 1981 and 1982.

Howard is the only known possible Soviet mole. But a second former CIA officer is also reported under suspicion.

CIA spokesmen reaffirm emphatically there is no reason to suspect any present CIA employee.

ARTICLE APPEARED
ON PAGE 1-A

WASHINGTON TIMES
14 October 1985

Soviet defector led KGB in U.S.

By Bill Gertz
THE WASHINGTON TIMES

Senior Soviet KGB defector Vitaly Yurchenko has been identified as Moscow's top North American spy operations expert, according to the U.S. State Department.

After weeks of official silence, the State Department said that Mr. Yurchenko has been in the United States "for some time" after defecting in Rome.

"Prior to his voluntary arrival in the United States in August 1985, Mr. Yurchenko served as deputy chief in the North American Department of the KGB's First Chief Directorate," the statement said. "The First Chief Directorate handles KGB intelligence operations worldwide."

Mr. Yurchenko "had previously asked that his presence here not be publicized," the statement said, explaining why official comment had been withheld prior to last week.

"Mr. Yurchenko was specifically responsible for KGB intelligence operations in the United States and Canada," the statement said.

During what was described as a "lengthy career" in the KGB, Mr. Yurchenko held "various key positions" in the KGB, including the most sensitive post of global counterintelligence — directing all penetrations of foreign governments and policing the KGB and GRU, the military spy service. He also ran KGB operations out of the Soviet embassy in Washington between 1975 and 1980, the State Department said.

As deputy chief in the North American department, Mr. Yurchenko would have directed several categories of KGB operations in the United States and Canada.

These activities, according to one intelligence expert who declined to be identified, would have included political, military and technological espionage, such as handling Americans and foreign nationals spying for Moscow; "active measures," — various covert action and "disinformation" programs; and a network of "illegal" agents operating independently of Soviet and East bloc diplomatic representatives.

The statement provided no dates for Mr. Yurchenko's duties before or after his 1980 posting in Washington. But he is believed to have directed KGB counterintelligence operations after leaving the Soviet embassy in Washington and prior to his promotion to chief of the North American department, a post he held until Aug. 1.

The State Department identified Mr. Yurchenko's counterspy role as "chief of Department 5 of Directorate K [worldwide counterintelligence] of the First Chief Directorate," a position that would have provided him with access to some aspects of virtually every operation of the KGB, GRU and East

bloc foreign intelligence services throughout the world.

Soviet security services conduct very active counterspy programs that require officers to monitor, to some degree, all Soviet and East bloc agents and the information they provide to the KGB and GRU, the intelligence expert said.

Intelligence sources close to Mr. Yurchenko's debriefing said the KGB officer has been providing U.S. authorities with a windfall of intelligence data about KGB operations and operational methods since August. His debriefing by Justice Department and CIA officials began then at an undisclosed location in the United States and is expected to continue for several years, these sources said.

So far, Mr. Yurchenko has uncovered two Americans — both former CIA operations officers — who are suspected of spying for the Soviet Union after leaving the agency. One of the former CIA operatives, Edward Lee Howard, eluded FBI surveillance agents late last month in New Mexico. He is being sought on espionage charges and is believed to have fled the country.

ASSOCIATED PRESS
17 October 1985**FILE ONLY**HOWARD MAY BE IN MOSCOW, SOURCES SAY
BY MICHAEL J. SNIFFEN

WASHINGTON (AP) — U.S. officials tracked fugitive ex-CIA agent Edward L. Howard, charged with spying for the Soviet Union, to Helsinki, Finland, and presume that he is now in Moscow, sources said Thursday.

Two administration sources, who declined to be identified by name, said that Howard, who disappeared from his New Mexico home Sept. 21, was traced by FBI agents first to Dallas and Austin, Texas, and later to the Finnish capital, from which entry into the Soviet Union would be relatively easy.

Howard, 33, who was fired by the CIA in June, 1983, was charged by the FBI on Sept. 23 with selling U.S. intelligence secrets to Soviet KGB officials in Austria a year ago. Howard was forced to resign from the agency after a polygraph test suggested that he had used illegal drugs and engaged in petty theft. The resignation occurred shortly after he had turned down an assignment to Moscow with the CIA's clandestine service.

Earlier, government sources had reported that the United States had recently lost contact with a Soviet citizen who had for several years provided valuable information about high-technology electronics and aviation research.

On Thursday, the Wall Street Journal identified the missing agent as A.G. Tolkachev. The Journal said Tolkachev was an electronics expert at a military aviation institute in Moscow and had told the CIA about Soviet research on the electronic guidance of aircraft and on so-called "stealth" technology for avoiding radar detection.

Three government officials on Thursday, however, disputed the Journal's contention that Howard had tipped the Soviets off to Tolkachev and that Howard had been given Tolkachev's name because he was to be assigned the task of communicating with Tolkachev in Moscow.

One of these government sources said U.S. intelligence officials were not prepared to link the disappearance of the agent in Moscow to the Howard spying case. Another government official said the agent in Moscow may have been uncovered through the use of an invisible "spy dust" that the KGB has been using to track contacts between U.S. officials and Soviet citizens, or because Soviet agents observed so-called "dead drops" where agents in Moscow hide messages for one another.

A third government official questioned whether an agent as valuable as the one in Moscow would be assigned to a CIA officer as young and inexperienced as Howard.

U.S. officials were tipped off to Howard's alleged spying by Vitaly Yurchenko, the No. 5 officer in the Soviet KGB, who defected to the West in Rome more than two months ago.

Sources said Yurchenko provided an alias and enough descriptive information for U.S. agents to identify Howard as one of two U.S.

officers who Yurchenko said were spying for the Soviet Union.

U.S. sources have said that the second former U.S. intelligence official is still under surveillance by the FBI in an effort to obtain enough evidence to justify an arrest.

FOR THE DIRECTOR

FROM PUBLIC AFFAIRS

CONTACTS WITH THE MEDIA ON 23 OCTOBER 1985

MEDIA REPRESENTATIVE

AGENCY CONTACT

QUERY

COMMENT

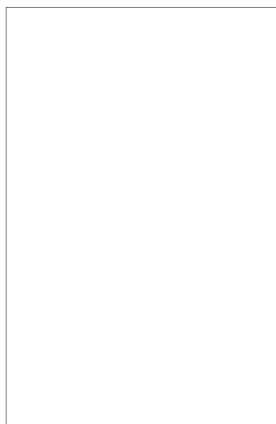
STAT

Gertz, Bill
WASHINGTON TIMES

STAT

STAT

STAT
STAT



Still writing article
regarding Sporkin nomination:
1) Did Sporkin offer to
find a lawyer who would take

2) When did [redacted] work
in the NIC?

enter into contracts and
do not give grants.

1) Mr. Sporkin advised

but did not offer to
find one who would work
free of charge.

2) [redacted]
in June 1984.

Lynch, Pat
NBC News

Has confirmed to her
satisfaction the existence
of the "second person," that
he was a CIA employee, and
that he is no longer with
the Agency. She has not
been able to ascertain his
name or what ties he had
with Howard. Does Agency

No.

ADMINISTRATIVE INTERNAL USE ONLY

**FOR THE DIRECTOR
FROM PUBLIC AFFAIRS**

CONTACTS WITH THE MEDIA ON 23 OCTOBER 1985

MEDIA REPRESENTATIVE

AGENCY CONTACT

QUERY

COMMENT

STAT

**Shannon, Kay
KAUZ TV, TX**

**have any guidance on or off
the record?**

**Has CIA provided any
information on Edward
Howard?**

Referred to Justice.

**Triplett, Sally
AMERICAN LEGION MAGAZINE**

**Requests copy of speech
given by DCI to SRI
conference on terrorism.**

Provided.

ADMINISTRATIVE INTERNAL USE ONLY